
SENATE BILL 5039

State of Washington 60th Legislature 2007 Regular Session

By Senators Eide, Murray, Marr, Shin, Rockefeller, Weinstein, Rasmussen, Kauffman, Keiser, Jacobsen, Haugen and Kohl-Welles

Read first time 01/08/2007. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the investment of scholarship endowment funds;
2 amending RCW 28B.108.060 and 28B.116.060; and adding a new section to
3 chapter 28B.76 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.76 RCW
6 to read as follows:

7 (1) The investment of funds from all scholarship endowment programs
8 administered by the higher education coordinating board shall be
9 managed by the state investment board.

10 (2) The state investment board has the full power to invest,
11 reinvest, manage, contract, sell, or exchange investment money in
12 scholarship endowment funds. All investment and operating costs
13 associated with the investment of a scholarship endowment fund shall be
14 paid pursuant to RCW 43.33A.160 and 43.84.160. With the exception of
15 these expenses, the earnings from the investments of the fund belong to
16 the fund.

17 (3) All investments made by the state investment board shall be
18 made with the exercise of that degree of judgment and care pursuant to

1 RCW 43.33A.140 and the investment policies established by the state
2 investment board.

3 (4) As deemed appropriate by the state investment board, money in
4 a scholarship endowment fund may be commingled for investment with
5 other funds subject to investment by the state investment board.

6 (5) The authority to establish all policies relating to scholarship
7 endowment funds, other than the investment policies in subsections (2)
8 through (4) of this section, resides with the higher education
9 coordinating board.

10 (6) The higher education coordinating board may request and accept
11 moneys from the state investment board. With the exception of expenses
12 of the state investment board in subsection (2) of this section,
13 disbursements from the fund shall be made only on the authorization of
14 the higher education coordinating board, and money in the fund may be
15 spent only for the purposes of the endowment programs as specified in
16 the authorizing chapter of each program.

17 (7) The state investment board shall routinely consult and
18 communicate with the higher education coordinating board on the
19 investment policy, earnings of the scholarship endowment funds, and
20 related needs of the programs.

21 **Sec. 2.** RCW 28B.108.060 and 1993 c 372 s 1 are each amended to
22 read as follows:

23 The American Indian scholarship endowment fund is established. The
24 endowment fund shall be administered by the state (~~treasurer~~)
25 investment board.

26 (1) Moneys received from the higher education coordinating board,
27 private donations, state matching moneys, and funds received from any
28 other source may be deposited into the endowment fund. Private moneys
29 received as a gift subject to conditions may be deposited into the
30 fund.

31 (2) At the request of the higher education coordinating board, the
32 (~~treasurer~~) state investment board shall release earnings from the
33 endowment fund to the board for scholarships. No appropriation is
34 required for expenditures from the endowment fund.

35 (3) When notified by the higher education coordinating board or by
36 court order that a condition attached to a gift of private moneys in

1 the fund has failed, the (~~treasurer~~) state investment board shall
2 release those moneys to the donors according to the terms of the
3 conditional gift.

4 (4) The principal of the endowment fund shall not be invaded. The
5 release of moneys under subsection (3) of this section shall not
6 constitute an invasion of corpus.

7 (5) The earnings on the fund shall be used solely for the purposes
8 set forth in RCW 28B.108.040, except when the terms of a conditional
9 gift of private moneys in the fund require that a portion of earnings
10 on such moneys be reinvested in the fund.

11 **Sec. 3.** RCW 28B.116.060 and 2005 c 215 s 7 are each amended to
12 read as follows:

13 The foster care scholarship endowment fund is created in the
14 custody of the state treasurer. The endowment fund shall be
15 administered by the state investment board.

16 (1) Moneys received from the higher education coordinating board,
17 private donations, state matching moneys, and funds received from any
18 other source may be deposited into the foster care scholarship
19 endowment fund. Private moneys received as a gift subject to
20 conditions may be deposited into the endowment fund if the conditions
21 do not violate state or federal law.

22 (2) The higher education coordinating board may disburse grants to
23 eligible students from the foster care scholarship endowment fund. No
24 appropriation is required for expenditures from the endowment fund.

25 (3) When notified by court order that a condition attached to a
26 gift of private moneys from the foster care scholarship endowment fund
27 has failed, the higher education coordinating board shall release those
28 moneys to the donors according to the terms of the conditional gift.

29 (4) The principal of the foster care scholarship endowment fund
30 shall not be invaded. For the purposes of this section, only the first
31 twenty-five thousand dollars deposited into the foster care scholarship
32 endowment fund shall be considered the principal. The release of
33 moneys under subsection (3) of this section shall not constitute an
34 invasion of the corpus.

35 (5) The foster care scholarship endowment fund shall be used solely
36 for the purposes in this chapter, except when the conditional gift of

1 private moneys in the endowment fund require a portion of the earnings
2 on such moneys be reinvested in the endowment fund.

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